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*JULY*

*TACOMA RAIL*

2014

**FINANCIAL  
REPORT**





# Public Utility Board

DAVID NELSON

Chair

WOODROW JONES

Vice-Chair

BRYAN FLINT

Secretary

MARK PATTERSON

Member

MONIQUE TRUDNOWSKI

Member

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Director of Utilities/CEO

DALE KING  
Rail Superintendent

ANDREW CHERULLO  
Finance Director

DEPARTMENT OF PUBLIC UTILITIES  
CITY OF TACOMA



CITY OF TACOMA, WASHINGTON  
DEPARTMENT OF PUBLIC UTILITIES, BELT LINE DIVISION  
Doing Business As

# TACOMA RAIL

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*Note: These financial statements are interim, unaudited reports prepared primarily for the use of management. Not all transactions reported in these statements have been recorded on the full accrual basis of accounting or in accordance with generally accepted accounting principles.*

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CITY OF TACOMA, WASHINGTON  
DEPARTMENT OF PUBLIC UTILITIES  
TACOMA RAIL

STATEMENTS OF NET POSITION

ASSETS	JULY 31,	
	2014	2013
<b>CAPITAL ASSETS</b>		
Road and Equipment Property .....	\$33,510,101	\$30,681,335
Less Accumulated Depreciation .....	(15,909,057)	(14,848,147)
Total .....	17,601,044	15,833,188
Construction Work in Progress .....	2,414,726	844,556
Net Capital Assets .....	20,015,770	16,677,744
 <b>SPECIAL FUNDS</b>		
Cash and Equity in Pooled Investments:		
Debt Service Funds .....	21,701	21,701
Total Special Funds .....	21,701	21,701
 <b>CURRENT ASSETS</b>		
Cash & Equity in Pooled Investments .....	10,383,046	7,900,511
Customer Accounts Receivable .....	2,614,889	3,052,512
Prepayments .....	2,030,416	2,016,592
Materials and Supplies Inventory.....	870,423	668,033
Total Current Assets .....	15,898,774	13,637,648
 <b>TOTAL ASSETS</b> .....	 \$35,936,245	 \$30,337,093

*These statements should be read in conjunction with the Notes to Financial Statements contained in the 2013 Annual Report.*

NET POSITION AND LIABILITIES	JULY 31,	
	2014	2013
<b>NET POSITION</b>		
Net Investment in Capital Assets.....	\$15,786,866	\$14,016,382
Restricted for:		
Debt Service .....	21,701	21,701
Unrestricted .....	9,557,402	8,163,158
TOTAL NET POSITION .....	25,365,969	22,201,241
<b>LONG-TERM DEBT, NET OF CURRENT MATURITIES</b>		
2006 Senior Lien Revenue Bond .....	548,332	771,620
State Loans.....	3,306,437	1,834,522
Total Long-Term Liabilities .....	3,854,769	2,606,142
<b>CURRENT LIABILITIES</b>		
Accounts Payable .....	2,495,011	2,812,478
Customer Deposits .....	47,250	54,300
Wages Payable .....	459,555	407,604
Unemployment and other Tax Payables .....	254,883	266,132
Volume Incentive Payable .....	125,000	166,667
Current Portion of Long Term Debt .....	374,134	55,220
Interest Payable .....	2,719	3,708
Current Portion of Compensated Absences .....	77,505	83,098
Total Current Liabilities .....	3,836,057	3,849,207
<b>LONG-TERM LIABILITIES</b>		
On the Job Injury Reserve .....	699,422	637,560
Long Term Portion of Compensated Absences .....	697,546	747,880
Other Long-Term Liabilities .....	1,482,482	295,063
Total Long-Term Liabilities .....	2,879,450	1,680,503
TOTAL LIABILITIES .....	10,570,276	8,135,852
<b>TOTAL NET POSITION AND LIABILITIES .....</b>	<b>\$35,936,245</b>	<b>\$30,337,093</b>

CITY OF TACOMA, WASHINGTON  
DEPARTMENT OF PUBLIC UTILITIES  
TACOMA RAIL

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

	JULY 2014	JULY 2013
<b>OPERATING REVENUES</b>		
Switching Revenues .....	\$2,209,179	\$2,140,502
Demurrage and Other Operating Revenues .....	278,434	188,656
Total Operating Revenues .....	2,487,613	2,329,158
<b>OPERATING EXPENSES</b>		
Maintenance of Way and Structures .....		
Salaries and Wages .....	89,331	77,040
Supplies and Expense .....	210,618	109,314
Mechanical .....		
Salaries and Wages .....	115,724	106,109
Supplies and Expense .....	217,541	160,922
Operations .....		
Salaries and Wages .....	732,295	678,669
Supplies and Expense .....	76,236	92,579
Administration .....		
Salaries and Wages .....	164,501	160,730
Supplies and Expense .....	272,918	305,351
Taxes - State .....	35,615	652
Depreciation .....	89,105	79,944
Total Operating Expenses .....	2,003,884	1,771,310
Net Operating Income .....	483,729	557,848
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest Income .....	6,679	5,493
Miscellaneous .....	55,701	71,673
Interest Expense .....	(2,719)	(3,710)
Total Non-Operating Revenues .....	59,661	73,456
Contributions - Grants .....	-	-
Total Contributions .....	-	-
Transfers		
City of Tacoma Gross Earnings Tax .....	(200,690)	(193,308)
<b>CHANGE IN NET POSITION</b> .....	\$342,700	\$437,996
<b>TOTAL NET POSITION - JANUARY 1</b> .....		
<b>TOTAL NET POSITION - JULY 31</b> .....		

*These statements should be read in conjunction with the Management Discussion and Analysis in the June 2014 Financial Report.*



YEAR TO DATE

<u>JULY 31,</u> <u>2014</u>	<u>JULY 31,</u> <u>2013</u>	<u>2014/2013</u> <u>VARIANCE</u>	<u>PERCENT</u> <u>CHANGE</u>
\$15,278,411	\$14,631,066	\$647,345	4.4%
<u>1,385,353</u>	<u>1,562,787</u>	<u>(177,434)</u>	-11.4%
16,663,764	16,193,853	469,911	2.9%
560,994	543,433	17,561	3.2%
807,135	737,088	70,047	9.5%
794,217	779,596	14,621	1.9%
<u>1,326,563</u>	<u>1,303,044</u>	<u>23,519</u>	1.8%
4,976,680	4,784,309	192,371	4.0%
666,993	856,067	(189,074)	-22.1%
1,210,829	1,167,718	43,111	3.7%
1,935,729	2,477,299	(541,570)	-21.9%
244,966	284,557	(39,591)	-13.9%
<u>623,738</u>	<u>559,610</u>	<u>64,128</u>	11.5%
13,147,844	13,492,721	(344,877)	-2.6%
3,515,920	2,701,132	814,788	30.2%
39,943	(1,144)	41,087	3591.5%
484,983	519,367	(34,384)	-6.6%
<u>(21,292)</u>	<u>(28,127)</u>	<u>6,835</u>	24.3%
503,634	490,096	13,538	2.8%
<u>500,000</u>	<u>-</u>	<u>500,000</u>	100.0%
500,000	-	500,000	100.0%
(1,371,764)	(1,339,957)	(31,807)	-2.4%
3,147,790	1,851,271	\$1,296,519	70.0%
<u>22,218,179</u>	<u>20,349,970</u>		
<u><u>\$25,365,969</u></u>	<u><u>\$22,201,241</u></u>		

CITY OF TACOMA, WASHINGTON  
DEPARTMENT OF PUBLIC UTILITIES  
TACOMA RAIL

SUMMARY OF SWITCHING REVENUES AND SWITCHING ACTIVITIES

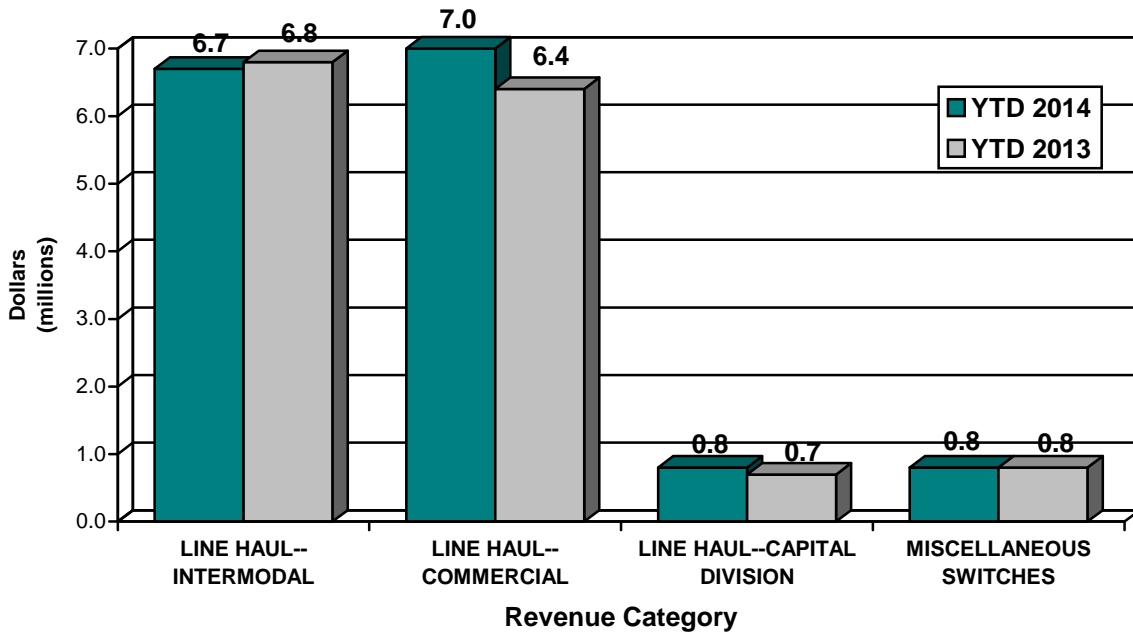
	JULY 2014	JULY 2013
<b>SWITCHING REVENUES</b>		
LINE HAULS--INTERMODAL .....	\$1,120,782	\$927,343
LINE HAULS--COMMERCIAL .....	841,140	833,390
LINE HAULS--CAPITAL DIVISION .....	129,221	80,536
MISCELLANEOUS SWITCHES .....	118,036	299,233
TOTAL SWITCHING REVENUES .....	\$2,209,179	\$2,140,502
 <b>SWITCHING ACTIVITIES (CARS)</b>		
LINE HAULS--INTERMODAL .....	5,602	5,290
LINE HAULS--COMMERCIAL .....	2,761	2,745
LINE HAULS--CAPITAL DIVISION .....	288	179
MISCELLANEOUS SWITCHES .....	229	108
TOTAL CARS SWITCHED .....	8,880	8,322

YEAR TO DATE			
JULY 31, 2014	JULY 31, 2013	2014/2013 VARIANCE	PERCENT CHANGE
\$6,664,209	\$6,813,912	(\$149,703)	-2.2%
7,037,467	6,393,620	643,847	10.1%
796,006	670,180	125,826	18.8%
780,729	753,354	27,375	3.6%
<u>\$15,278,411</u>	<u>\$14,631,066</u>	<u>\$647,345</u>	4.4%
38,871	37,998	874	2.3%
18,778	18,501	277	1.5%
1,775	1,491	284	19.0%
1,589	1,034	555	53.7%
<u>61,013</u>	<u>59,024</u>	<u>1,990</u>	3.4%

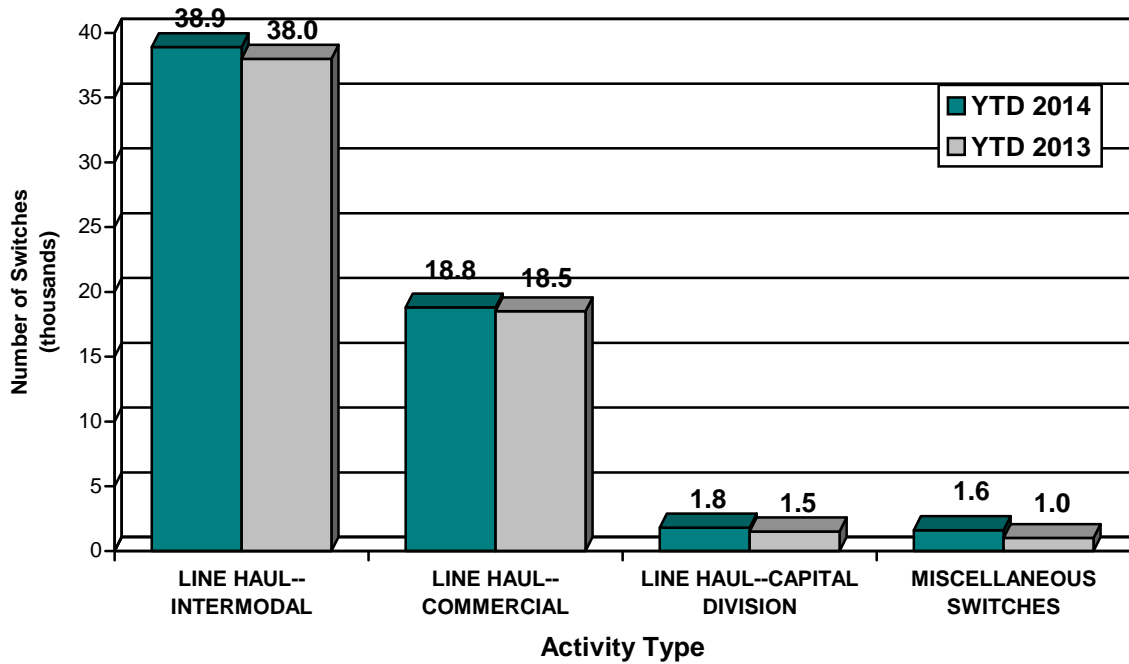
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# Supplemental Data

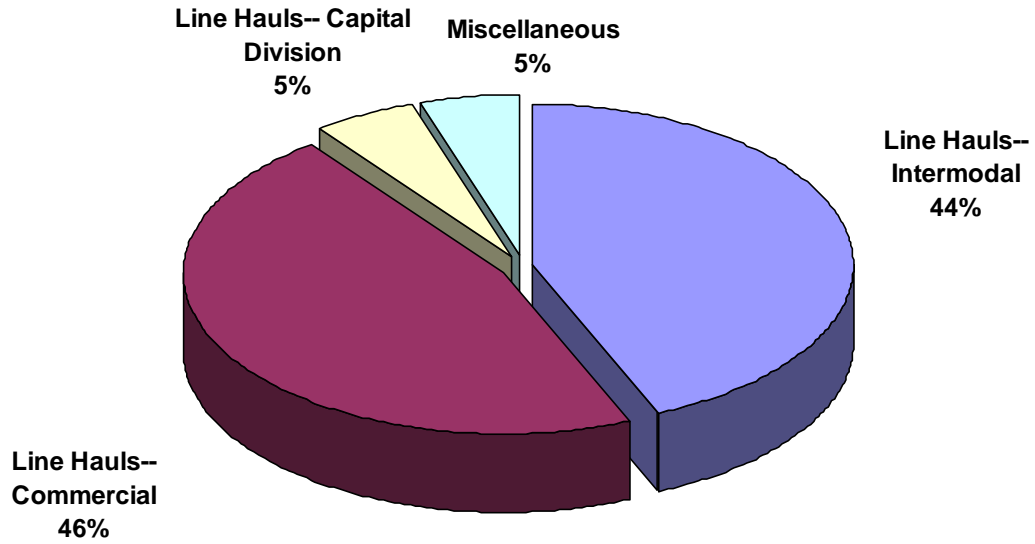
**SWITCHING REVENUES**  
Year to Date - July 2014 & 2013



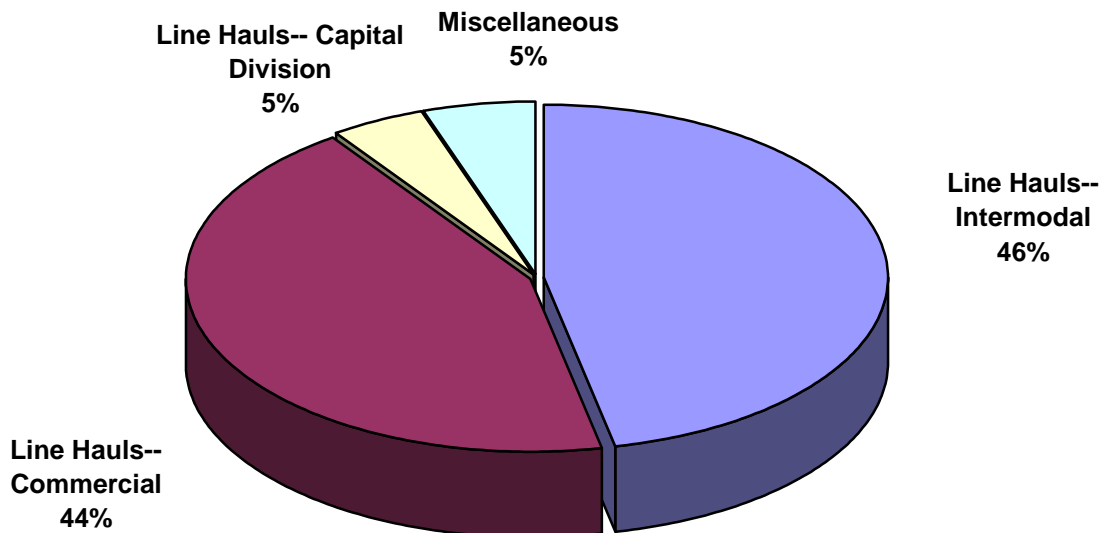
**SWITCHING ACTIVITIES**  
Year to Date - July 2014 & 2013



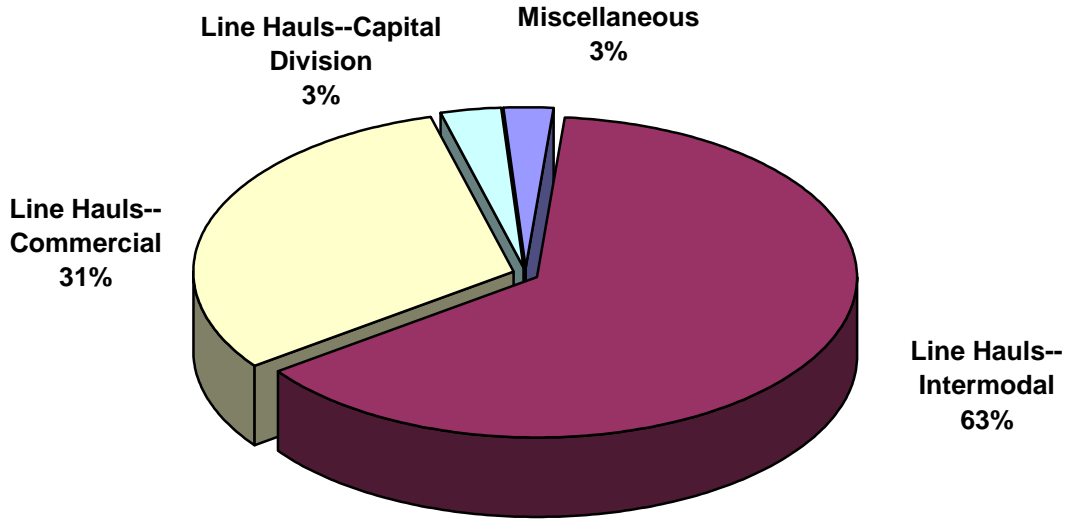
**SWITCHING REVENUES**  
Year to Date - July 2014 (\$15,278,411)



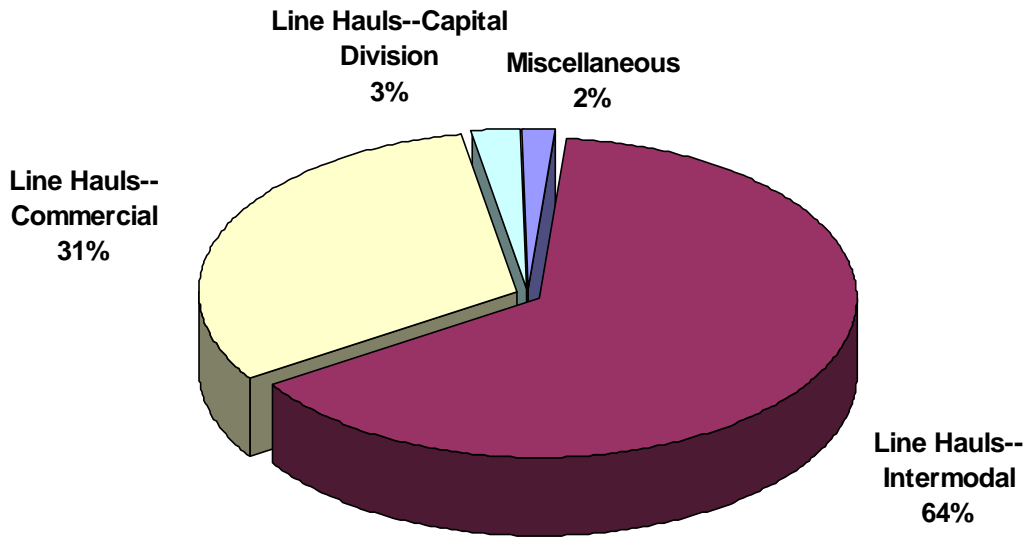
**SWITCHING REVENUES**  
Year to Date - July 2013 (\$14,631,066)



**SWITCHING ACTIVITY**  
Year to Date - July 2014 (61,013 cars)

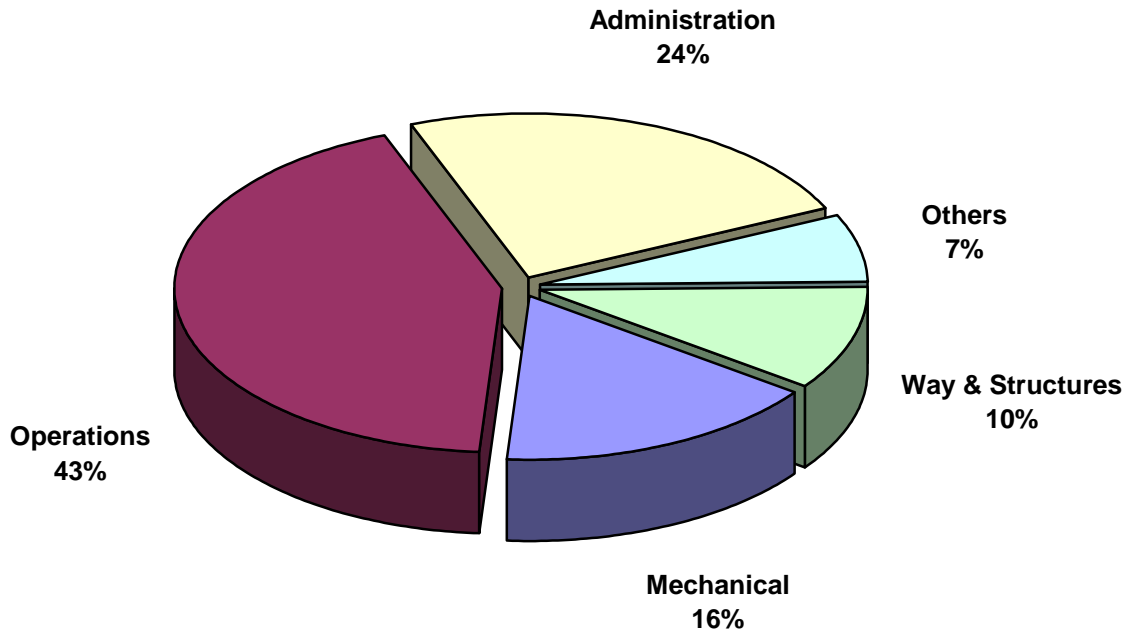


**SWITCHING ACTIVITY**  
Year to Date - July 2013 (59,024 cars)

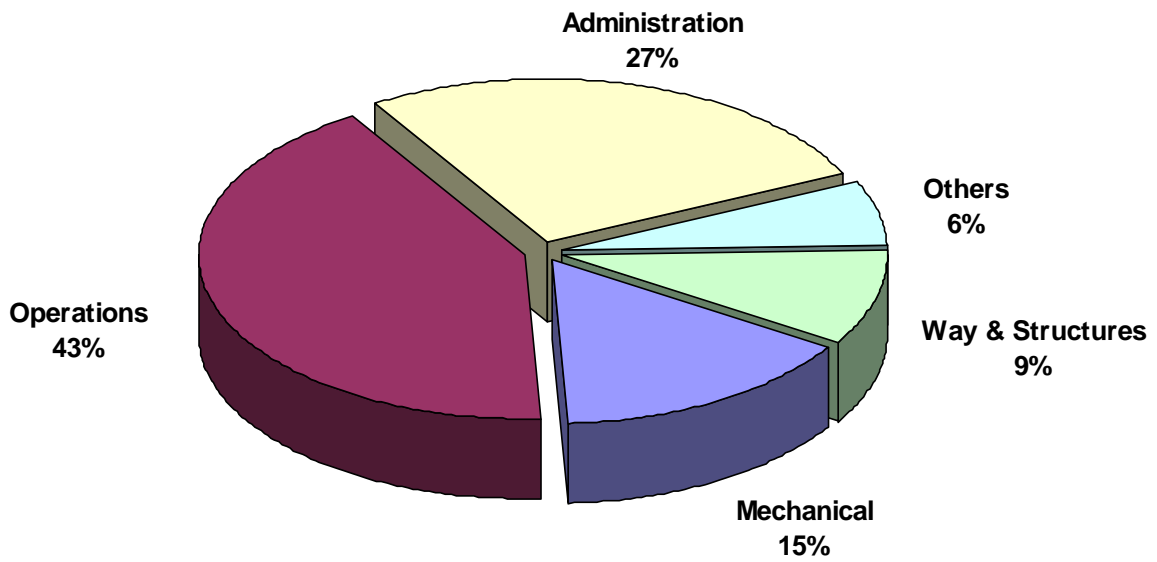




**TOTAL OPERATING EXPENSES**  
Year to Date - July 2014 (\$13,147,844)



**TOTAL OPERATING EXPENSES**  
Year to Date - July 2013 (\$13,492,721)





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